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SENSITIVE
SIPDIS

STATE FOR EAP/MLS MBROWN; EEB/ESC/TFS JMKLEIN; EAP/MLS LSCHEIBE
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E.O. 12958: N/A
TAGS: [ECON](#) [PGOV](#) [PREL](#) [EFIN](#) [ETRD](#) [VM](#)
SUBJECT: Vietnam's Ruby Industry

REF: State 127059 (Demarche Request: Gathering Information on the
Local Ruby Industry)

11. (U) This cable is in response to State 127059.

12. (SBU) Vietnam has two operational mines that are actively
producing rubies. One mine is located in Yen Bai province and the
other in Nghe An. Both mines are privately owned and produce
approximately 15-20 kilograms of mixed gemstone ore, including some
rubies, per mine, per year. Unfinished stones are sold to local,
family owned jewelry stores where they are then finished and sold
directly to consumers. Only two rubies of significant value have
been discovered in Vietnam and they are currently owned and stored
by the State Bank of Vietnam. All rubies produces by the mines are
consumed domestically and are not for export.

13. (SBU) The Ministry of Natural Resources and Environment (MONRE)
receives applications for gemstone mines, but all such applications
must go to the Prime Minister for approval. Mining companies must
also report annual ore output to MONRE and a corresponding mineral
royalty must be paid to the Ministry of Finance. There is no other
system for tracking locally produced rubies or identifying their
place of origin. Officials at MONRE call Vietnam's ruby production
"negligible" and since no rubies are exported, do not feel such a
system is necessary at this time. Some illegal mining operations do
exist but MONRE does not believe them to be significant in size or
output.

MICHALAK